## IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA RICHMOND DIVISION

In re:	§	
	§	Chapter 11
CIRCUIT CITY STORES, INC., et al.,	§	•
•	§	Case No 08-35653 (KRH)
Debtors.	§	
	§	Jointly Administered

RESPONSE AND REQUEST FOR HEARING TO LIQUIDATING TRUST'S FIRST OMNIBUS OBJECTION TO LANDLORD CLAIMS (REDUCTION OF CERTAIN PARTIALLY INVALID CLAIMS, RECLASSIFICATION OF CERTAIN MISCLASSIFIED CLAIMS, DISALLOWANCE OF CERTAIN INVALID CLAIMS, DISALLOWANCE OF CERTAIN LATE FILED CLAIMS, AND DISALLOWANCE OF CERTAIN AMENDED CLAIMS)

Capmark Finance, Inc. ("Capmark") on behalf of Bank of America, National Association (""Bank of America) Successor by Merger to LaSalle Bank National Association and by and through their counsel Bryan Cave LLP, hereby files their Response and Request for Hearing to Liquidating Trust's First Omnibus Objection To Landlord Claims (Reduction of Certain Partially Invalid Claims, Reclassification of Certain Misclassified Claims, Disallowance of Certain Invalid Claims, Disallowance of Certain Late Filed Claims, and Disallowance of Certain Amended Claims) (the "Objection"), and states as follows:

#### Proof of Claim 12663

- 1. The Trustee has objected to the proof of claim number 12663 (the "Claim") filed by Capmark on April 30, 2009 in the amount of \$1,316, 782.37.
  - 2. With regard to proof of claim 12663 Trustee states that:

Philip J. Meitl (VA Bar No. 73215) Bryan Cave LLP 1155 F Street NW, Suite 700, Washington DC 20004 (202) 508-6000 (phone) Attorney for Capmark Finance Inc. Case 08-35653-KRH Doc 10508 Filed 04/07/11 Entered 04/11/11 12:30:13 Desc Main Document Page 2 of 10

"Reduce by \$55,983.38 for prepetition rent and \$50,333.47 for rejection damages in accordance with the Debtor's books and records. Reduce by \$15,257.55 for attorney fees and \$2,442.67 for damages because the Debtor's are not liable under the lease. Reduce by \$10,850.15 for insurance because the Debtors were responsible for and maintained insurance on the location prior to rejection of the lease."

- 3. Rule 3001(f) of the Federal Rules of Bankruptcy Procedure provides that a "proof of claim executed and filed in accordance with these rules shall constitute prima facie evidence of the validity and amount of the claim. Fed. R. Bankr P. 3001(f).
  - 4. Trustee fails to offer any evidentiary support for his remaining assertions
- 5. After a creditor has timely and properly filed a proof of claim, the Debtor must produce substantial evidence to rebut this prima facie evidence. See in re Hemingway Transp. Inc. 993 F.2d 915, 925 (1st Cir. 1993) ("The interposition of an objection does not deprive the proof of claim of presumptive validity unless the objection is supported by substantial evidence"); In re Harford Sands, Inc. 372 F.3d 637,640-41 (4th Cir. 2004) (Creditor's filing of proof of claim constitutes prima facie evidence of amount and validity of claim, and burden is on debtor to object to claim and to introduce evidence to rebut its presumptive validity); In re Gran, 964 F.2d 882, 827 (8th Cir. 1992) ("The objection party must then produce evidence rebutting the claimant or else the claimant will prevail.")
- 6. In this case, the Claim was filed prior to the Bar Date and in accordance with the Federal Rules of Bankruptcy Procedure and provides sufficient documentary support for the Claims and the calculation of the Claims amounts. The Objection does not provide any evidence whatsoever to supports its objection to the calculation of the Claims amounts.
- 7. The Trustee bears the burden of proof for the disallowance of any portion of the Claims. See In re Woodmere Investors Ltd. Partnership, 178 B.R. 346, 354 (Bankr. S.D.N.Y

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1995) Because Trustee has produced no evidence whatsoever in support of the proposed reductions, the Trustee has failed to meet its burden of proof and Claim 12663 should be allowed in its entirety.

### Proof of Claim 14363

- 8. With regard to proof of claim 14363 Trustee states that:
- "Claim 14363 was not filed by landlord. Debtor is addressing 14346 with the landlord."
- 9. Capmark filed the Motion for Allowance Postpetition Obligations Under Expired Leases of Non-Residential Real Property on June 30, 2009. As stated in the Claim, Capmark is the assignee of leases by, and rents owing to, certain of the Debtor's property landlords (the "Landlords" as set forth in Exhibit A hereto.
- 10. Circuit City rejected the all the leases and Capmark foreclosed on the majority of the properties.
- 11. Trustee should not be addressing the prepetition claims for this property with any of the landlords because most of the properties were foreclosed on by Capmark and the landlord no longer owns the property. Further, Capmark is the assignee of leases by and rents owing to the Debtor's property landlords.
- 12. Accordingly, it is improper for Trustee to deal with the landlords on this Claim and Capmark's Claim should survive.

WHEREFORE, Capmark respectfully requests that the Court (a) overrule the Objection as it relates to the proof of claims 12663 and 14363; (b) allow the claims as provided in Capmark's proof of claims; and (c) grant Capmark such other and further relief as this Court deems appropriate under the circumstances.

Dated: April 6, 2011

#### **BRYAN CAVE LLP**

By: /s/ Philip J. Meitl

Philip J. Meitl (VA Bar No. 73215)

Bryan Cave LLP

1155 F Street NW, Suite 700,

Washington DC 20004 (202) 508-6000 (phone)

Attorney for Capmark Finance Inc.

## **CERTIFICATE OF SERVICE**

The undersigned hereby states that on the 6th day of April, 2011, a true and correct copy of the above foregoing instrument was sent to:

Clerk of the Bankruptcy Court United States Bankruptcy Court 701 East Broad Street-Room 4000 Richmond, VA 23219

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Telephone (804) 783-8300
Telecopy: (804) 783-0178

/s/ Philip J. Meitl
Philip J. Meitl

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TOTAL ADMINISTRATIVE CLAIM	TOTAL	Beach, FL	8405 E. Kellogg Dr., Wichita, KS	600870452 9950 Maryland Drive, Richmond, Virginia	982005551 4110 Atlanta Highway, Athena, Georgia	987004871 4483 US Route 14, Crystal Lake, Illinois CC-Investors 1997-3	PAID IN FUIL 1505 S. Colorado Bivd., Denver [Glendsie], Colorado 80222	36369 Warren Road, Westland, Michgan 48185	3475 William Penn Hwy, Wilkins Township, Pennsylvania 15148.	987004877 3423 Clemson Blvd, Anderson, South Carolina
				_	Kelp-Athens, LLC, a Massachusetts inclind liability company	CC-Investors 1997-3	CC - Investors 1997-4, a Delaware business trust	WMI/MPI Business Trust, a Delaware business trust and WMI/MPI Business Trust	WAIMINIP! Business Trust, a Detaware business trust and WAILMPL Business Trust	Bond-Circuit II Delaware Business Trust, 3/31/2009 a Delaware business trust
				2/28/2009	12/31/2008	12/31/2008	3/31/2009	2/23/2009	3/10/2009	( 3/31/2009
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	\$763,321.16	\$59,990.80	\$123,988.72		\$4,920.23			\$40,821.73	\$77,348.33	\$23,081.31
	\$80,609,88									





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41.

## IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA RICHMOND DIVISION

In re:

\$ Chapter 11

CIRCUIT CITY STORES, INC., et al.,

\$ Case No 08-35653 (KRH)

Debtors.

\$ Jointly Administered

### CAPMARK FINANCE, INC.'S REQUEST FOR HEARING

Capmark Finance, Inc. ("Capmark"), on behalf of Bank of America, National Association (Bank of America), by and through its counsel Bryan Cave LLP, hereby files its Request for Hearing on its Response to Liquidating Trust's First Omnibus Objection to Landlord Claims (Reduction of Certain Partially Invalid Claims, Reclassification of Certain Misclassified Claims, Disallowance of Certain Late Filed Claims, and Disallowance of Certain Late Filed Claims, And Disallowance of certain Amended Claims) (the "Response").

Capmark filed the Response on April 6, 2011. As set forth in the Response, the objection to proof of claims 12663 and 14363 (the "Claims") should be denied and the Claims should be allowed in their entirety.

WHEREFORE, Capmark Finance, Inc. respectfully requests the Court schedule a hearing on its Response for 2:00 p.m. on May 11, 2011 and grant such other and further relief as the Court deems just and proper.

Dated this 6th day of April, 2011.

Respectfully submitted,

### **BRYAN CAVE LLP**

By: P.J. Meitl (VA Bar No. 73215) 1155 F Street, NW, Suite 700 Washington, DC 20004 (202) 508-6043 (phone) (202) 220-7343 (facsimile) pj.meitl@bryancave.com

Attorney for Capmark, Inc.

### **CERTIFICATE OF SERVICE**

I hereby certify that on April 6, 2011, a true and correct copy of the foregoing was served through the Court's ECF system to all parties consenting to service through same, and on all parties listed on the attached service list by overnight mail.

/s/Philip J. Meitl
Philip J. Meitl